



Minutes

Montana State Parks & Recreation Board Meeting

Montana Fish, Wildlife & Parks

First Peoples Buffalo Jump, Ulm, MT

August 18, 2016

Parks & Recreation Board Members Present: Tom Towe, Chair; Mary Sexton, Vice-Chair; Diane Conradi; Jeff Welch; Doug Smith. Paul Sihler, Chief of Staff, FWP

Parks Staff Present: Chas Van Genderen, State Parks Administrator; State Parks Staff: Melissa Baker, Chief of Operations/Assistant Administrator; Tom Reilly/Assistant Administrator; Pat Doyle/Marketing & Communication Manager; Zach Zipfel, Legal Counsel.

Guests: August 18, 2016 – See Parks file folder for sign-in sheet.

Topics:

- 1. Call to Order – Pledge of Allegiance**
- 2. Approval of June 15, 2016 Board Meeting Minutes**
- 3. Approval of June 15, 2016 Board Expenses**
- 4. Draft 2017 Board Schedule - Discussion**
- 5. Board Member Reports**
- 6. Director's Report**
- 7. Staff Report**
- 8. Public Comment Not on Agenda**
- 9. Donation Policy Update, FY16 Year End and FY17 Overview - Informational**
- 10. Land Reconciliation - Informational**
- 11. North Shore WMA/SP Ag Lease - Approval**
- 12. Biennial Fee Rule - Proposed**
- 13. Strategic Plan Implementation Update - Informational**
- 14. Ackley Lake Lease - Final**
- 15. First Peoples Buffalo Jump Prairie Dog Management Plan - Informational**

16. L&C Caverns Concession Lease Term - Approval

17. Approval of Capital over \$5,000 - Final

1. Call to Order – Pledge of Allegiance

Chairman Towe called the meeting to order at 8:35 AM and led the Pledge of Allegiance.

2. Approval of the Parks & Recreation Board Meeting Minutes of June 15, 2016

Action: Chairman Towe moved and Mary Sexton seconded the motion to approve the June 15, 2016 minutes. Motion carried unanimously

3. Approval of Parks & Recreation Board: June 15, 2016 Board Expenses

Action: Doug Smith moved to approve the April 21, 2016 Parks & Recreation Board expenses. Motion carried unanimously.

4. Draft 2017 Board Schedule – Discussion

Chas Van Genderen, Administrator, State Parks, explained the suggested dates and cities for the Board meetings and tours scheduled for 2017. After some discussion, it was decided on the following dates and cities. The tour visit sites may be subject to change as needed.

- February 15 & 16, in Helena during the legislative session. The tour would include snowmobiling in order for Board members to better understand recreation issues around Montana.
- April 19 & 20, in Butte, in addition to the Anaconda Smelter Stack SP and the Pipestone OHV area, Chas suggested visiting Lost Creek SP.
- June 21 & 22, in Helena and tour Black Sandy SP.
- August 16 & 17, in Billings, Tongue River Reservoir SP and/or Rosebud Battlefield SP.
- October 18 & 19, in Havre, Beaver Creek County Park and Bear Paw Battlefield. Doug Smith suggested visiting Fresno Reservoir during the tour. Chairman Towe also suggested visiting Fort Assiniboine.
- December 13 & 14, in Seeley Lake and tour Placid Lake SP & Salmon Lake SP.
- Mr. Van Genderen and Chairman Towe said a final decision would be made regarding suggested additional tour site visits as the tour dates get closer.

Action: Chairman Towe moved and Jeff Welch seconded the motion to approve the 2017 Board Schedule. Motion passed unanimously.

Chairman Towe said it was important to get these dates set early so that the Board members can get them scheduled on their calendars.

Chairman Towe suggested adding an item to the agenda regarding a draft Proposed Resolution for the Board to approve stating that the Parks and Recreation Board has no intention of closing any existing park or recreation area. We are looking for partnerships. We are concerned about class 4 parks and others and are looking for solutions to help reduce the financial drain on State Parks. This doesn't mean that we wouldn't want to perhaps change the administration of some parks as long as the park itself is not closed. He said that Board members received copies of the proposal earlier. Vice-Chair Sexton suggested that the proposal be informational only. The Board can discuss the proposal today, and then the proposed resolution would have to have proper public notice, since it was not a scheduled topic, and then have the resolution to present at the next Board meeting. The Board decided to have the discussion after they hear Melissa Baker's scheduled presentation regarding the Ackley Lake lease discussion

5. Board Member Reports

Chairman Towe reported that he and his family spent two weeks in southern California on the beaches. He said that he got acquainted with how the California Parks Department, which is a full-time Department, not a division or an agency, operates and maintains their parks. They have over 200 lifeguards just for southern California beaches alone. He brought his sister and her family to Giant Springs and also visited First Peoples Buffalo Jump and listened to a presentation by Rick Thompson on the buffalo jump. He visited Wayfarers by Big Fork. He visited Beaver Creek County Park south of Havre, which they advertise as the largest county park in America. The park has 10,000 acres and people are asked to donate \$10 use of the park when they visit. Vice-Chair Sexton reported that she attended the EQC meeting in Helena last month regarding the lands issues we are looking at. EQC decided to ask for a performance audit of the West Shore issue. She has been in the Bob Marshall and has not yet had a chance to respond to the e-mails, calls and letters she received regarding Ackley Lake and thanked everyone for their input. There were some nice articles in the Tribune regarding the upfront and personal discussions regarding these issues. The trailhead in the Bob Marshall is a Pondera County park, with rest rooms and horse facilities. She said that she has met several people who are enthusiastic users and strong supporters of parks and federal lands.

Member Conradi will be going on a walkabout with her family at the Cape Breton Islands in Canada. She said there are front country managed recreation experiences are important to the community and its' economic vitality. She attended the ceremony for the Haskell Base water shed protection effort outside Whitefish on the Stoltz Land. The Stoltz family signed a huge conservation easement on the family property to protect the Whitefish watershed and provide recreational opportunities. The "open door" policy that many industrial lands have now is at risk. She feels that there is a bigger role for State Parks in managing outdoor opportunities. These kinds

of opportunities go to the heart of who we are and we need to do a better job of thinking about rural recreational opportunities.

Member Welch reported that he has spent a lot of time this summer recreating in the past few weeks, especially on rivers. He has seen a lot of people in the outdoors. The parking lots are full, the Fishing Access Sites need improvement, water is low and people are unable to get their boats in the water. We are not investing in this as a state. He attended the Governor's project regarding establishing an office of outdoor recreation and talked about the 70 percent of Montanans who are not hunting and fishing, and they need outdoor opportunities, as well. There are many emerging issues regarding outdoor recreation. He was also wondering about the bear problems and the use of electric fencing on the Smith River. He stated that the permitting system for cancellations on Smith River floats needs to be automated, rather than spending a lot of time with phone calls.

Member Smith said that he spent two nights in Zortman, a small mining town, in the Little Rocky Mountains. He said that ATV use is increasing in the area and that oftentimes ATV users will create their own trails on BLM lands if established trails are not available; the demand for trails is not being met nor managed. He toured the American Prairie Reserve. This is a private foundation trying to create a national wildlife park. He attended a bird watching tour at Brush Lake, during which the ranger gave a very good program. In July, he led a Montana Wilderness Association hike south of Fort Peck; went to a field camp at Hell Creek of three paleontologists from Washington State University; in June, he went to Fairmont Hot Springs to a Native Plant Society meeting and also toured Lost Creek State Park; this park could use some improvement. He tried to visit the Anaconda Stack, but said there was no access and feels it should not be listed on highway maps if people cannot access the Stack. He will be going on a wilderness hike in Rock Creek Canyon, north of Hinsdale, and this is another piece of our landscape that needs to be preserved for posterity.

Member Conradi said that parks are becoming integrated into our lives, where we can go to recreate, attend education programs and learn more about the land. The Great Falls Tribune, today, had an entire outdoor section dedicated to state parks. She said that parks are important to us, but is also important to people. She said thanks to everyone who does the hard work on the ground to make these places available and enjoyable to all of us.

Chairman Towe said that Senator Brenden, of Scobey, has pointed out the problems with Hell Creek and the financing of that park. Chairman Towe indicated that he wrote a guest editorial that was printed in the Helena Independent Record, the Billings Gazette and the Missoulian regarding Hell Creek's future, so information is getting out there.

6. Director's Report

Paul Sihler, Chief of Staff for FWP, representing the Director, said that the Stoltz project was a unique project and community-driven for watershed protection, habitat and recreation, got federal

funding with the help of Region 2 staff who did a lot of work on the project. The budget process for the legislative session is wrapping up and is due to the Governor's Office by August 31. The EQC is reviewing legislative proposals and then the budget coming out. Sue Daly, Chief of Administration for FWP, is retiring on August 31 after serving for 37 years. Dustin Temple has been hired to fill Sue's position.

7. Staff Report

Chas Van Genderen, Parks Division Administrator, said that it has been a very busy summer. As of June 30, visitation is up 23 percent, but revenue is only up 5 percent year to date. Part of the reason that the revenue is only up 5 percent is that day use is free for residents and day use has been very high. On the Smith River, we were on pace for record setting use, but water shortages caused the river to be too low to float in July. Group size has increased with more people picking up cancelled floats and with more people acquiring permits for up to 16 people in a party. This is the first year of the food storage regulation with the Forest Service and it went very well. Visitors were mostly in compliance with the new regulations. Most people were prepared as we did a lot of outreach explaining the new rules and using Intermountain Grizzly Bear Committee (IGBC) approved food storage devices. We sold some electric fences at Camp Baker and people were, in general, using them on the river. There were a lot of bear sightings, but no significant bear encounters. The Smith River Management Advisory Council (SRMAC) meeting will be in a month and that group is very interested in monitoring how things went. There was a fire at the Tongue River Reservoir concession building. This is closed and we are working with the concessionaire to get that back up and running. We have notified the public that some of the services would not be available this year. There was a lightning strike that started a fire at Rosebud Battlefield. Because the battlefield is a national historic landmark, we are struggling with how to address fire suppression so that we don't disturb the artifacts at the battlefield, but help protect adjacent landowners from fire damage. We will be coming out with some recommendations soon that we can implement. Some flooding at Lake Elmo caused the dog park to be closed. At Chief Plenty Coups, there were some sewer and water problems in the basement in the manager's office. We lost some water as the water pressure tank broke at Hell Creek as a result of aging infrastructure problems. We are currently recruiting for some positions, including a manager, at Makoshika. Parks has hired a new administrative assistant, Katelyn Weber, who will begin work on September 2. We will be coming to the Board at the October meeting with information gathered from the Heritage Resources interests survey and the Strategic Plan. The OHV program recently closed its grant cycle and we will be bringing more information to the Board in October. Missoula hosted a bike celebration focusing on trails and recreation programs that our staff participated in. Makoshika road will be paved by the end of the year; this has been an on-going project for three years. We are in the final phase of getting Milltown State Park finished.

Chairman Towe asked if we owned the concessionaire's building at Tongue River Reservoir that caught on fire and if we are insured for that. Mr. Van Genderen said that the State is self-insured

and the Torts Claim Division will handle the property loss. Chas will follow up on the concessionaire's losses, the total cost of damages and what we are doing for momentum in the future. Currently, the concessionaire is working out of a trailer at Tongue River on a temporary basis. Member Welch said that no one mentioned the new electric fencing rules when he and his party checked in at Camp Baker. Vice-Chair Sexton asked about the progress of bike camping. Chas said that we are done with two of our four bike campsites and they are being embraced by users. We are planning a ribbon-cutting ceremony with the Department of Commerce later in September. Member Smith wanted to know about DEQ compliance issues at Hell Creek in regards to expanding the drainfield and enlarging the water supply. Chas said we are monitoring how much water is used in the park system and will have final results in October or November. We will evaluate the results and then decide how large our septic system needs to be overall. The Corps of Engineers wants the compliance issue with potable water fixed with the concessionaire. The concessionaire, who is a sub-lessee under us, currently uses water from the lake for his concession and the lodgings that he provides at the park. We are exploring whether he has access to our water and is he choosing not to use it? There will be a meeting in September with the Garfield County Commission, the Corps of Engineers, staff, Senator Daines' office, and others, regarding the future of Hell Creek.

8. Public Comment Not on Agenda

Chairman Towe explained that the public comment period is for those who have a general comment to make. Those who wanted to comment about specific agenda items will have a turn later in the meeting.

Katie Kotynsky, Girls in Glacier MWA, wanted to speak on behalf of Tower Rock and its class 4 classification in the system. She said that it is a small part, but it is important to a lot of people who live in the area. It has lots of opportunity for recreation, including beautiful scenery, a blue ribbon trout fishery close by, rock climbing and hiking. It has historical significance because of the Lewis & Clark expedition. The park offers diversity in opportunities and not every park offers camping. If we cut back on the smaller parks, then we will increase pressure on other parks. Tower Rock is low maintenance and the trail is used regularly. There is a bathroom and there is a dump site in the parking area, but no one notices that any more. Please don't say that just because it is a class 4 park that it will be closed down. She thanked the Board for all of their work.

Member Conradi said that she knows the importance of state parks. Yellowstone and Glacier are off the charts in visitation. Our state parks provide an experience that is different from Glacier and Yellowstone that are super valuable. The challenge is not that the class 4 parks are not important, it is how to maintain and fund the parks. We are going to struggle to find ways to keep these parks open. Thank you for speaking up for Tower Rock.

Vice-Chair Sexton said that we have a Parks Foundation because we know people love their parks and we are trying to find ways to fund parks. Local government, other municipalities, advocacy and on-the-ground support is very important to help keep parks open and the Foundation is one way we can help fill that gap.

Lindy Hatcher, Executive Director, Lewis & Clark Trail Heritage Foundation, pointed out that there are tourism benefits to state parks. While Montana residents are not always charged, we are not just looking at parks tourism, you are also looking at heads in beds. The Lewis & Clark Trail Heritage Foundation will be bringing in 200 people from all over the country for our annual meeting in Billings in July, 2017. These people will also visit state parks, not just stay in Billings. There may be some unintended consequences if you were to close some state parks.

9. Donation Policy Update, FY16 Year End and FY17 Overview

Sue Daly, Chief of Administration, FWP, gave the Board an update on the status of the donation policy for money collected in state parks. As agency, we are receiving more and more donations and our biggest challenge is our capacity to handle the paperwork and the time that goes into managing all of the private funds coming in. We are working with a committee within the agency to develop a policy and guidance for staff. Once we do accept a donation, how it will be recorded through the accounting process.

There are two choices for accepting donations:

1. Deposit in state special revenue accounts, goes into a fund balance, and can be appropriated to us by the legislature.
2. Deposit in a deferred revenue account, the money is to be used for a specific purpose and the money is to only be used for that specific project. It is deferred until that project is done. If there is too much money at completion of the project, the remainder is returned to the donor, unless they give us permission to use the funds for something else. Once the project is paid for, the money is recorded as revenue.

Sue said that the committee is working to deal with donations, donation boxes, and thresholds of amounts of money to help us define where to put it into our accounting practices. We hope to have a draft out in the next couple of weeks and it will be finalized soon thereafter. Chairman Towe asked if a legislative appropriation is ongoing for money in a special revenue account, or if it has to wait until the legislature convenes. Sue said the request has to be during a legislative session and we would bring a request to the legislature for our appropriation authority. Chairman Towe asked if a donation was for a special park, if the money could be used for that. Sue said that would have to go through the state special revenue fund and it would be up to the legislature to appropriate it. Chairman Towe asked if there were some method to be put in the policy that would allow us to take advantage of what we now have available, namely the Foundation, so that funds can be

deposited to the Foundation. The Foundation can't collect money from all 55 parks. Is it possible for the Foundation to have a Friends Group go out and collect money from the parks? Can we work an arrangement with the staff to be responsible for putting donations into an envelope and send to the Foundation periodically? Sue said there are members from both foundations helping the committee to develop this policy. We have to remember the Foundation is not part of the agency and so the agency has to operate at "arm's length." The Foundation's money is not our money. The language in the draft policy states: "The Foundations can place clearly identified donation boxes at our FWP sites, but they must be handled by Foundation staff and volunteers. FWP employees and volunteers cannot open the boxes or handle the money. The revenue will be collected by Foundation staff volunteers and deposited by them in their bank accounts." Then we would go on to clarify that an MOU can be written that would clearly define responsibilities of Parks and the Foundation. That is where we can deal with the scenario you are suggesting. They may provide pre-address and pre-paid envelopes at the site. FWP employees can only handle the funds if it is defined in the MOU. We have to put in place controls that protect our people. Sue said that we are working with the legal staff to make sure that the MOU has appropriate language and that the internal controls are in place to protect our staff from any liability in handling someone else's money.

Member Conradi said we have been working on this policy for over a year and we have lost another season of potential donations. She feels that there is a level of complication that hinders the Foundation's ability to meet our target to build philanthropic relationships. She is glad that we are finally going to have a policy, but the burden on the staff to have this accounting for minimal donations is something we can deal with. Sue said that we are challenged throughout the agency and staff's time is limited and is hard to deal with this policy. We have to balance capacity on all fronts. There are a lot of things we could do if we had unlimited staff, but we are not prepared to manage the donations. We have over 300 individual accounts that have to be managed. We have to be able to pass audits and have internal controls in place to protect our staff.

Member Welch said that all we need is for a staff person to empty the box and mail it in. The idea seems to be that it is a staffing issue, but it seems like the MOU would be an HR problem, not an accounting problem. Sue said that donation boxes are only one component of the policy. Member Welch said that it is simple what we are asking for. Sue said that his "one ask" is simple, but this is a bigger picture that involves many issues and possibilities and the draft policy will cover a broad spectrum of accounting policies.

Chairman Towe asked for a definite date when the Board could expect to see a completed draft of the donation policy. Sue said that she would have the draft completed by August 31 and will send the draft policy to him. Paul Sihler asked how much money donated to parks that hasn't been spent. Sue said we only get \$5,000 to \$10,000 a year. We have been depositing donations in deferred revenue, but the auditors say this money does not meet the definition of deferred revenue, so we have to change the way we've been doing business. The money can get back to specific

parks. Member Conradi asked that the Board get a copy of the balance of the funds that FWP has currently. Sue said she would provide that along with the draft policy.

Sue then updated the Board on Parks FY16 Revenue and the FY17 beginning and end fund balances. Sue gave out a handout showing the Parks' four primary funding sources: Bed Tax; Coal Tax Interest, Miscellaneous Revenue/Light Vehicle Registration and Motorboat Fuel Tax. Collectively, we brought in \$10.9 million from those four sources. From those four sources, we had an appropriation of \$9.1 million, we spent \$8.1 million, which left \$1 million unused. That authority goes away and will have to be re-appropriated; the cash will stay in the bank. This is for the day-to-day operations. In our Capital Appropriation, we had \$2.5 million for capital projects, we spent a little over one-half a million and this left a balance of \$1.9 million. This money will stay on the books as the money has been obligated, the money just hasn't gone out the door yet. The miscellaneous non-budgeted category is for expenditures that don't go through an appropriation, such as for statutory tax payments, overhead assessments, depreciation, and the carry forward authority. At the end of the year, we had roughly \$11.3 million in the bank after the bills were paid and the revenues came in. The reason the amount went up is the \$1 million we didn't use stays in the bank. The revenues came in pretty close to expected. We have to do better at getting the money spent that the legislature appropriated to us. The Governor's Office has asked us to set up a plan in order to spend down the fund balances needed for on-the-ground projects for a better balanced budget.

Vice-Chair Sexton said that over the next five years, approximately \$800,000 in operations would have to be cut if we don't spend the capital funds in order to maintain a balanced budget.

Sue introduced Dustin Temple. Dustin has been with FWP for 11 years, has a degree in finance, has an IT background and will take over Sue's position as of September 1. Sue is helping to orient Dustin in his new duties and responsibilities and will be the point of contact for financial information in the future.

10. Land Reconciliation Update – Informational

Paul Sihler, Chief of Staff, FWP, reported that the Land Reconciliation group met by phone in July; developed a set of options for how we might proceed on this. Staff, primarily Darlene Edge from Lands and Tom Reilly from Parks, have been trying to turn the options into how they would work on the ground. We will have an in-person meeting on September 7, where we can make some decisions on getting down to brass tacks. There was an update at the Environmental Quality Committee (EQC) meeting to request an audit of the West Shore, but the audit committee has not acted on this yet. Senator Hamlett made the initial request and EQC's letter was in response to that. Paul said that the issue is that this section the West Shore does not have a Pittman-Robertson (PR) encumbrance or that it can be easily overcome. The Fish and Wildlife Service wrote a letter to us outlining the three ways that this can be overcome. The Fish and Wildlife Service's PR chief and their lands person is going to

be available by phone at the September 7th meeting, so there will be an opportunity to ask questions of the Fish and Wildlife Service. Chairman Towe said he was encouraged by this.

Public Comment: Kim Holzer, Stanford, Judith Basin Chamber of Commerce, asked if the situation with the land at Flathead Lake is affecting decisions of State Parks possibly eliminating up to 28 state parks to make up for that? Chairman Towe answered that he hopes not. This is not the intent, but, nevertheless this is an issue. This is a complex matter that involved a trade in 1966 because of an encroachment problem. A neighboring landowner traded some land, but the land we traded had a PR encumbrance on it and Parks may have to reimburse \$6.5 million if the land does not qualify as PR land. We are working on a way to take care of the problem. Vice-Chair Sexton said that there are also about 16 other state parks that have some kind of federal encumbrance. This has been a lingering problem for many years and the Board wants to get clarification as to what the ownership is and what the financial obligation might be. Paul Sihler added that this is the only one we have to deal with and in this case, we are looking at some land value exchanges so we don't have to deal with this in cash. If that works, this will minimize the dollar burden and shouldn't relate to operating costs.

Member Conradi asked if Paul Sihler would describe the EQC meeting and explain what the legislative process is for us. Paul responded that it was a fairly brief item at the meeting and resulted in the request for the audit. The legislative process for the audit is to be decided by the audit committee. Paul said he is assuming the request goes in the queue and will be determined by the committee. Senator Brad Hamlett, SD 15, said he got involved because his friend, Doug Johnson, and his family are the ones who gave up the first portion of land for free for the park. Mr. Johnson heard that there may be something amiss and that something had happened to the park. Senator Hamlett looked into it and felt there was a rush to do something that would cost a lot of money. He thought we should look at this and asked for a performance audit so that we could get all of the facts. He feels that there is a workable solution.

11. North Shore WMA/SP Ag Lease – Approval

Dave Landstrom, Region 1 Parks Manager presented information about the North Shore WMA/SP agricultural lease. The Wildlife Division and Parks staffs are proposing a 5-year lease on 359 acres of the 429-acre North Shore WMA on the north Shore of Flathead Lake adjacent to a U.S. Fish and Wildlife Service Waterfowl Production Area. A 160 acre parcel, referred to as the Miller Parcel, of this site is a joint WMA/SP that was acquired in 2009 with Access Montana program money. During winter and spring migration, waterfowl flock to the fields to forage on food plots and waste grain. The property has a long history of crop production, and has been farmed specifically to support wildlife since its acquisition. With the existing lease expiring in September 2016, the region seeks to develop a five-year agricultural lease to continue this successful management approach. As proposed, the contractor would plant, cultivate, control weeds, and retain a portion (up to 85 percent) of grain crops, leaving stubble and the remaining crop standing for wildlife during winter and spring migration, primarily to benefit waterfowl and upland game birds.

FWP has contracted for farming on this parcel for several years, and the public has been involved and supportive throughout that process. The public comment period on the EA for the proposed action closed on June 19 and a Decision Notice was signed June 23. Staff received nine written comments; six in support of the agricultural lease. Supporters stated their approval for the project because it would benefit wildlife, particularly waterfowl and upland game, the local agrarian economy, and public recreation. Three comments were received expressing concern that the 5-year contract duration was too long and would unduly restrict management. The lease may be cancelled by the department at any time.

Under the “No Action” alternative, agricultural lands would not be cultivated and Wildlife Division staff would need to commit resources to manage weeds on the previously cultivated 359 acres of farm fields. Wildlife would be negatively impacted by lack of cover and winter and spring forage for migrating waterfowl. A multi-year lease for the entire 429 property increases the attractiveness of the contract opportunity and by extension the terms the department can negotiate. The net result will be improved wildlife benefits including larger leave areas, additional food plots, and buffer strips – all contributing to improved habitat and hunting and recreation opportunities. In addition, as explained in the Draft Environmental Assessment, the lease terms will provide the flexibility to implement restoration during the agreement period, potentially reducing cropland area by upwards of 92 acres. Thus, the department derives the benefits of multi-year agreement without hampering our ability to implement habitat improvements.

Because of the importance of these properties to migrating waterfowl, weed control, and the zero cash cost to the agency, MSP recommends that the Board approve the proposed course of action as it pertains to the 160 Miller Parcel.

Action: *Member Conradi moved the Board approve the five-year agricultural lease for the 160 acre Miller Parcel. No public comment. Motion passed unanimously.*

12. Biennial Fee Rule – Proposed

Melissa Baker, Assistant Administrator and Chief of Operations for Montana State Parks, presented the Biennial Fee Rule is a two-year rule that establishes recreational use fees for state park lands. The current fee rule was last approved by the State Parks and Recreation Board on October 15, 2014. The current timeline for proposal and passage of the Biennial Fee Rule is such that its implementation occurs after camping reservations have been received for the effective year. This results in lost revenue and inefficiencies in implementation. By shifting the timeline for proposal of a new fee rule to April (currently August) and approval to June (currently October), implementation of the fee rule can take place prior to the opening of the 9-month camping reservation window resulting in increased revenue, greatly improved field processes, and better customer service. This would require an extension of the current Biennial Fee Rule through December 2017. Minimal changes are proposed to the current rule to reflect updated bicycle campsite fees and to remove portions of the rule that are now covered under the ARM rules passed by the board in April 2016.

Upon tentative approval of the proposed user fees, the Parks Division will solicit public comment for a 30 day period. Following public comment analysis a final Biennial Fee Rule will be presented at the October Board meeting.

The following alternatives have been identified regarding updated user fees:

- 1) Do not extend the current Biennial Fee Rule.
- 2) Extend the current Biennial Fee Rule through December 2017 with the changes outlined above.

Montana State Parks proposes extension of the current fee rule through December 2017 with the changes outlined above.

Action: *Member Welch moved that the Board authorize the Parks Division to seek public comment on the extension of the 2014 Biennial Fee Rule with the proposed changes through December 2017. No public comment. Motion approved unanimously.*

13. Strategic Plan Implementation Update - Informational

Chas Van Genderen, Parks Division Administrator, explained the Implementation Matrix handout and said that Goal A of the 2015 Strategic Plan required that the division manage significant, relevant and accessible parks in a manner that is consistent with available resources. As part of meeting that goal, the Montana State Parks and Recreation Board passed the Classification and Prioritization Policy in December 2015. In January, the internal Classification Policy Implementation Team was chartered. In April, 2016 staff reported to the board Phase I of the process and drafted recommendations for alternative management strategies for Class 4 Parks. In June, we reported that we have begun to implement the Classification Policy and are communicating with stakeholders. Ackley Lake, Anaconda Stack and other park stakeholders are concerned.

These actions all fall under the strategic plan which has been in place for 19 months. In late June, we met and discussed how we are doing with implementation. The attached table illustrates that the division is very active in the implementation of this ambitious plan. We are working to implement all 5 goals and have made progress on all 16 targets. Of the 52 strategies, we have completed 6 and started on 41. We are proud of the progress we are making and look forward to full implementation by 2020.

The Strategic Plan was subject to numerous public engagement opportunities including a legislative survey and listening sessions statewide. The Classification and Prioritization Policy was the subject of a 31 day public comment period prior to its passage. Stakeholder engagement in the implementation of the policy is active and ongoing as evidenced by staff reporting at each board meeting and through public meetings and consistent outreach.

We will be bringing to the October Board meeting a proposal for re-naming sites. It was referenced in comments today; should everything be called a state park; can some be called heritage sites or recreation areas?

Member Welch asked about the State Trails Plan 2020 and asked Chas to speak about the plan. Mr. Van Genderen said that we have a Statewide Trails Plan that started in 2000 and it is outdated. For us to write a broad statewide trails plan is a very significant task. If we take this on again, we have to get a couple of other things out of the way because when we start on this, it will take a lot of time, energy and resources. If there are opportunities to work with the Foundation or user groups, we are open to working with them. Member Conradi thanked Mr. Van Genderen for all of the work being done on these projects. Chairman Towe asked how Mr.

Van Genderen how the Strategic Plan affects Class 4 parks? Mr. Van Genderen said the recommendations from legislators, citizens and the staff were that, as a Parks system, we have to plan where to spend resources and decide on top priorities. The theory is that we will take care of our significant parks and take some revenues, operations and staffing from Class 4 parks to re-invest in the Class 1 parks. Member Conradi said along with the redirection of resources, we also need to look for opportunities from groups and communities to help manage parks. Vice-Chair Sexton said that all types of recreation have increased greatly and how do we deal with the increasing desire from the public without a lot of increasing revenues and limited resources available to us? Member Conradi said that the classification plan is not about whether a parks are important; all parks are important. The question is where to put state park resources based on accessibility, significance, and relevance statewide based on the park system.

14. Ackley Lake Lease – Final

Melissa Baker, Assistant Administrator and Chief of Operations, said Ackley Lake State Park is located approximately 13 miles southwest of Hobson. The park is located on land owned by the Montana Department of Natural Resources and Conservation (DNRC) as part of an irrigation reservoir. It is comprised of 250 acres and has 15 campsites and two boat ramps.

In April, the Montana State Parks and Recreation Board was presented with the first phase implementation strategy of the Classification and Prioritization of Park Resources. Since Ackley State Park is in public ownership with DNRC, it was identified as a site where Montana State Parks would remove its presence as part of redirecting resources to Class 1a parks by the end of 2017.

The lease for Ackley State Park expired in early 2016. This agenda item involves the proposed mutually-agreed upon lease agreement between Montana State Parks and the DNRC through the end of 2017. This lease is needed to clarify roles and responsibilities for management while working through the details of a change of management. The lease agreement proposed does not require any payment to DNRC.

The proposed action does not result in any immediate change of services or management to the public and thus a public involvement process related specifically to the lease was not conducted. There are, however, public outreach efforts underway (including a recent public meeting) related to allowing management of the site to revert to DNRC.

Alternative 1: Approve signature of the mutually agreed upon lease between MSP and DNRC.

Alternative 2: Do not approve signature of the mutually agreed upon lease between MSP and DNRC. It is the agency recommendation to approve signature of the mutually agreed upon lease for Ackley State Park between MSP and DNRC.

Chairman Towe asked if any management decisions had been made regarding the future of Ackley Lake. Ms. Baker said the only decision the Board needs to make today is whether to renew the no-cost lease with DNRC that would be valid through December, 2017. After some discussion with DNRC, they brought the lease to us for a one and a half year timeline.

Public Comment Regarding Ackley Lake

Chairman Towe asked those people who wanted to comment on the Ackley Lake lease proposal to limit their time to four to five minutes each and to please state name and address at the podium.

Member Welch said that Board members have received many letters and e-mails and they have read them. Vice-Chair Sexton also thanked all of those who gave input previously.

The following people commented on the proposed lease for Ackley Lake:

1. **Charles Thomas**, Member of Ackley Lake Water Users Association, said the Water Users Association is made up of 10 active farmers and ranchers who are irrigators and a representative from FWP. The association operates Ackley Lake. We manage the inlet and outlet of water from the Judith River and manage the dam. We operate under a permit from DNRC and must follow stringent rules as far as the safety of the dam. We purchase water from DNRC in the form of water purchase contracts and FWP is a water purchase holder. FWP purchases 250 acre feet of water a year for a total of \$1615 and the other owners pay for the cost of the rest of the water. A few weeks ago, we became aware that Ackley Lake may be delisted or not supported by FWP. This is very upsetting to us. In the Strategic Plan, it says that one of the goals of the plan for parks is based on significance, relevance and accessibility. Ackley Lake is classified with Anaconda Smoke Stack, Tower Rock and a prairie dog town. We think that Ackley Lake is more significant than that. A news article in a May 2, 2015 in the Lewistown News Argus, quoted a study by FWP that surveyed anglers. From that study, a FWP Fisheries biologist, said that Ackley Lake contributes \$1.4 million to the economy of central Montana. He believes that Ackley Lake is significant and relevant. It is a destination that people come from all over the country to visit. He has been associated with Ackley, through his family, for over 79 years. A good relationship with the ranching community, recreationists and FWP is very important. He believes FWP and the Board has a moral and ethical obligation to stay involved with Ackley Lake. There are 34,000 people who visit the lake and bring in noxious weeds and the surface of the dam is damaged by all of the vehicles. He feels it is FWP's responsibility to maintain the land and the roadway on the dam. He would encourage the extension of the lease so that alternatives can be looked at. He gave copies of the Lewistown newspaper article to the Board.
2. **Jim Homison**, Stanford, MT, a citizen and a member of FWP's R-4 Citizens Advisory Council (CAC), said he has a signed petition with 577 people expressing their concern regarding the future management of Ackley Lake. "We do not support State Parks withdrawing from Ackley Lake management and the DNRC lease unless a lease is provided with manpower and funding provided through the Fishing Access Site (FAS) program so we can continue to enjoy the recreation opportunities we now participate in. Nor would we oppose a minimal camping fee if the funds generated would continue to support management of Ackley." Mr. Homison personally believes that the future of Ackley Lake would be better served with the site being

managed under FWP's FAS program. As a FAS, this may be a possible solution to keeping the site open and benefitting recreationists. He has some other suggestions and thoughts that he would be willing to share with FWP personnel. He asked that the lease be renewed through 2020 to allow time for a FAS proposal to be developed. He also asked the Board to comply with Montana Code 231-1-11 and work with the Commission to provide hunting and angling opportunities on these lands and waters. He left a package with the Board with his comments.

Member Smith asked Mr. Homasin if this matter had been brought up with the CAC? Mr. Homasin said no, only that they learned about Ackley Lake's lease renewal and that Ackley Lake is a category 4 in April. Member Smith asked if it would be a good idea to bring this up with the CAC and see if the site could be turned over as a FAS? Mr. Homasin said he intends to bring it up at a CAC meeting.

3. **Al Eggers**, Lewistown, MT, disagreed that decisions have been made regarding Ackley Lake based on the classification criteria it classifies parks based on the degree of development. Parks with visitor's centers, campsites, electrical, etc. are rated more highly. We need parks of all types; he prefers parks that are not developed. Ackley Lake has people any time of the year who are using the park. Central Montana is underserved in respect to parks. Of 14 parks, 7 of the parks have suitable access. The average distance from the center of Montana is 182 miles. They are not convenient to central Montana. Nearly 33,000 visitations were made at Ackley last year and it is a popular recreation area. The economic benefits to central Montana is over a million dollars just in angling resources at Ackley Lake. We would be foolish to discard those economic advantages. His primary message is that the policies and criteria used to evaluate state parks is mis-directed. The budget to maintain Ackley Lake is \$12,000 to \$14,000 a year. Items to fix problems at Bannack and Lewis and Clark Caverns is over \$2 million. Why not spend money more efficiently at a more used park? We need to put money in state parks that people use and is an economic benefit to the state. He urged the Board to re-examine the policies and criteria and put parks according to how they are used and needed.
4. **Mike Getman**, Snowy Mountain Chapter Trout Unlimited, Big Spring Creek Water Shed Committee, which is stationed in Lewistown. He is also a member of the R-4 CAC. Usually we bring concerns from hunters and anglers to the attention of the agency. This has worked the other way; we brought information to the public when we heard about Ackley Lake at a meeting in January. We worked on the petition and what we want is to emphasize is that we encourage you to extend this lease. Walking away from this lease right now would be a difficult situation. Neither DNRC or the Water Users Board has recreational money to use to fund this situation. We would really encourage you to vote for this lease. That would give us one and a half years to come up with a committee to work with the Parks Division to find partners or a resolution. We need that time quite badly and we ask for your support on that. He said they find it very interesting that there are divisions in FWP; the Parks Division, the Fisheries Division and the Wildlife Division. Yet, we've heard very little about how Parks is

working with Fisheries, specifically the Fishing Access program to possibly come up with a resolution. The Fishing Access program is very similar to how state parks is managing Ackley at this time. He would ask the Board for any assistance to initiate and generate that conversation so, hopefully, we can come up with a resolution. He appreciates all that the agency and Board do for the resources of Montana.

5. **Cody McDonald**, Judith Basin County Commissioner, said that he had a list of things to talk about, but they are being covered very well. He said the Commission would definitely like you to renew the lease for the next year and a half. We would rather see it go for five or ten years to work out a good plan for the future. If we only have a year and a half, we will make do with it. We want to work with you to make sure this access stays open. He was a little disappointed that the county never was contacted, as far as partnerships. He can't speak for the Commission, but he would be more than willing to work to get a partnership because this is so important to the community. He appreciates the Board's time and knows they have a tough job and appreciates all of the work.
6. **Dale Longfellow**, retired mayor of Hobson, MT, said thank you for being on the Board. The \$1.9 million dollars generated by Ackley Lake is very important to the small businesses in the nearby communities. They are all affected by what we do here and how we go forward. I hope you sign the lease. Melissa and John had a meeting in Stanford the other night and they opened everyone's eyes; they didn't know they had such a problem. I hope the county commissioners will step up and help with this and there are a couple of entities in line that will work with you. We don't want to lose Ackley.
7. **Kim Holzer**, Judith Basin Chamber of Commerce, Stanford, MT, handed out a packet of information to the Board. She is concerned about the "un-parking" of Ackley State Park in central Montana. We believe there could have been better communication from State Parks regarding the classification prioritization of Ackley State Park. The Judith Basin Chamber of Commerce only learned of the Ackley Lake prioritization from a local resident at the July 25th meeting. Chas Van Genderen and John Taillie were able to meet and work with the Chamber to explain the situation. Ackley Lake is an important part of the local economy. Tourism brings in about \$1 million a year to the economy. Ackley Lake provides diverse opportunities for recreation and tourism and has 15 campsites and two boat launches. At a recent community meeting, the vehicle registration fee was discussed. They were given the number 44 percent for their county, but didn't know if that was for how many were purchased or if that number was for the percentage who opted out of the registration fee. One person stated that she didn't realize this was how state parks were funded until the Ackley Lake situation came about. Ms. Holzer believes that Ackley Lake meets a very high percentage of the classification criteria of significant, relevant and accessible and asked the Board to reconsider re-evaluating Ackley as we do not feel we should be in Category 4. We do feel that the contribution that Ackley makes to the community is very important. There are no overnight charges currently in effect; charge

us. By charging fees, this may help to eliminate some concerns. We would also encourage Parks to educate the public regarding Parks registration fees to help increase the revenues. Many in her area think that closing Ackley Lake is already done deal. We ask that the Board take into consideration of the effect of closing Ackley and urge them to extend the lease.

8. **Sheila Dixon**, Geyser, MT, said that the local conservation district uses Ackley Lake for educational purposes. A 5th grader wrote a letter telling the Board how she uses Ackley. I ask that you extend the lease for five years; one and a half years is too short a time to make good decisions.
9. **Nick Dixon**, Geyser, MT, said that he fishes summer and winter at Ackley. Has talked to many people from all over and they have heard of Ackley and that is why they come there. Ackley is important.
10. **Mark Wichman**, Hobson, MT, said that 90 percent of the traffic to Ackley goes by his home. The amount of traffic is unreal; most days traffic is going on well into the night. A lot of people with half million dollar vehicles go to Ackley. He is a member of the water users association and we do not have the resources or the knowledge to take over the operation of lake. He would like to see the lease extended. It would be a moral crime to shut it down.
11. **Senator Brad Hamlett, SD 15, central Montana**, said Ackley is in his district. Listening to the comments today, one of the important thing is there's a no-cost lease. If you have a no-cost lease with DNRC, you are in a good position. At a minimum, extend this lease and if you can get a five-year lease or longer, that is the way to go. He thinks by working with the community, Parks can resolve this issue to everyone's satisfaction. There are parks far and few between in this area, so the lake serves the community economically year round. If you pull out a park like this that's used so much, it's not a good perception for state parks. There are some resolutions that will not break the park system. He served on the EQC committee and researched for two years what to do with the park system. They finally decided it was important for Parks to have their own Board and everyone here can see how important this is. He is impressed with the Board and thinks they have done an outstanding job.
12. Chairman Towe said that he was delighted with the enthusiasm for a park, but stressed that we need help from the community and suggested interested persons form a Friends Group, as other parks have done. Regarding the lease until December of 2017, not everything is going to be done in that time frame. We want to do what's right and best for all of the people. We don't want to abandon any recreation or heritage sites under our jurisdiction. If we can promote more effectively the most significant parks in the state and re-channel our funds most effectively we want to do that. But that does not mean we are going to abandon any sites. We want to make sure recreation opportunities that we have now are continued and can better serve the people of Montana.

He asked Cody McDonald, the Judith Basin County Commissioner if there is an opportunity to get the County Commission involved with us to make this a better park? Mr. McDonald said he would like to see a partnership. There are two other commissioners that he would need to talk to, but felt if the commission could do something to help, they were willing to try.

Member Welch asked if we were able to get an increased vehicle recreation fee through the legislature, would the county support making it mandatory for citizens to pay for the parks vehicle registration fee? Kim Holzer, Judith Basin Chamber of Commerce, said that most residents in the county would probably pay the registration fee for one vehicle and then opt out for other vehicles they own. Mr. McDonald said that only about 40-50 percent of the county residents pay the parks registration fee now, but he thinks that most citizens would support an increased fee.

Vice-Chair Sexton asked if the Judith Basin County Commission had ever considered setting up a Port Authority in the county? A Port Authority is an economic development tool, as is a Tourism Business Improvement District tax, which could generate funds for business districts.

Al Eggers asked how the Board and Parks define the significance of a State Park? Chairman Towe said if you were to compare Ackley Lake and Bannack, if you look at visitation, Ackley Lake has higher numbers. But, Bannack is one of the most important ghost towns in America and was Montana's first capital and has huge significant historical significance and so is one of our most important parks and we need to spend our resources on our most significant parks.

Member Welch said that the public is not really interested in who owns a park, only why and for whom the park is operated and maintained. He would encourage those who are interested in turning Ackley Park into a FAS to talk about that more.

Action: *Vice-Chair Sexton moved to approve the mutually agreed upon lease for Ackley Lake between Montana State Parks and DNRC until the end of 2017, and I move also, part of the same motion, that a Working Group be established in the interim, including, at a minimum, a County Commissioner, a Chamber business person in the area, DNRC Water Board, a neighboring landowner or from the vicinity, and hopefully a Fishing Access Site representative that would be the minimum of the people to be involved in this working group, and perhaps another member or two. I would ask them to meet at least once in the next six months. She asked John Taillie, Region 4 Parks Manager, to coordinate this group and give a report to the Board within the next six months, probably at our February meeting, as to the progress discussing the current situation and regarding options for the future of Ackley Lake and, if by the end of 2017, the group and Board feel it is needed, we can ask for another year extension from DNRC.*

Chairman Towe asked Mr. Van Genderen if the motion to pass could the staff organize the committee or do we need further direction in the motion and what about expenses? Mr. Van Genderen said that we already have this as part of our communication strategy. John will be

responsible for outreach and this has been our intention and we will make that commitment to the Board and come back with a report.

Motion passed unanimously.

Chairman Towe proposed a Resolution of Intent for an agenda item at the next Board meeting stating that the Parks and Recreation Board has no intention of closing any state parks. His resolution is as follows: The Parks and Recreation Board has no intention of closing any existing park or recreation area. Each and every State Park is an important part of the recreational opportunity and/or historical experience available to the people of this State. While financial issues require that we look for better solutions for State Parks of lesser significance, relevance and accessibility, that does not mean that any park will be abandoned altogether. Instead, we hope to work with others, including other State Agencies, local governments, the federal government or its agencies, and local interest groups to make sure all of our natural, historical, and recreational areas in Montana are preserved. If a change in administration of a particular State Park helps keep that park available at less cost to the State, we will explore such a change so long as the park itself is not closed.

Member Welch agreed with Chairman Towe's resolution, but Mr. Welch feels that we have already covered this. Member Conradi said that she wanted to look at the existing Board policy entitled, "Acquisition and/or Transfer of Interests in Lands," to see if the proposed resolution is already incorporated in this policy. She will let Chairman Towe know if she thinks it is necessary to adopt a formal Resolution and, if needed, ask that the Resolution be added as an agenda item for the next Board meeting.

Action: *Chairman Towe asked the Board to proceed with this Resolution. There was no objection.*

Public Comment: Lindy Hatcher, Lewis & Clark Trail Heritage Foundation, stated that she thinks it is a good idea to make a formal resolution. She said the public relations would be good for the upcoming legislative session and would create a beneficial perception to the public.

15. First Peoples Buffalo Jump Prairie Dog Management Plan – Informational

John Taillie, Region 4 Parks Manager, said that Montana State Parks is preparing a draft Prairie Dog Management Plan for First Peoples Buffalo Jump State Park. The primary purpose of the park is to protect and interpret the nationally significant cultural values of the park as well as its archaeological artifacts. As a National Historic Landmark, First Peoples Buffalo Jump is one of the most significant and largest buffalo jumps in North America and possesses exceptional value in illustrating the heritage of Montana's first peoples.

The black-tailed prairie dog population has been rapidly expanding over the years within the boundaries of First Peoples Buffalo Jump State Park and a significant colony exists along the

traditional drive lines at the top of the jump. As a result, important archeological artifacts are being disturbed. The primary purpose of this plan is to actively manage the prairie dog populations through appropriate strategies that protect the cultural resources of the park; conserve natural processes and conditions; protect public health, safety, and welfare; and manage park resources in accordance with the park's 2005 Management Plan. A draft plan will be presented to the board at the December meeting. A public involvement process is not needed at this time but will be undertaken, upon board approval, once the draft plan is presented to the board. Mr. Taillie said that they expect some controversy and the options will be addressed in the management plan. In 2014 and 2015, all of the colonies significantly expanded. We are really concerned with the burrows as they are beginning to cover some of the artifacts. Prairie dogs are native to the landscape and some people would object to killing native animals. John expects that he will have a final draft for the October Board meeting.

Public comment: Senator Hamlett said that he has property next to the Buffalo Jump; about 1100 acres next to the Park. The prairie dogs have taken over everything and are like a plague. They just keep taking over ground and have expanded over a mile from the top of the jump. This is a problem with the neighboring landowners as they are expanding into all areas around the park. The colonies look like a bombing range now and it doesn't fit in with how the jump was historically. They need to be eradicated and they are not endangered. The integrity of the park and the neighborhood good offices are being endangered. He thinks we need action now, take the heat from the public and explain it is more important as a historical site than a prairie dog town.

16. Lewis & Clark Caverns Concession Lease Term – Approval

Melissa Baker, Assistant Administrator and Chief of Operations, said the current Food, Beverage and Gift concession contract at Lewis & Clark Caverns State Park expires February 15, 2017. This concession is an important service for park visitors participating in cave tours as well as for campers and trail users in the park. The Parks Division is preparing a Request for Proposal for a new contract that will initially be for a term of 10 years, with provisions to allow two (2) additional 5-year terms, for a maximum of 20 years.

Montana Code Annotated 18-4-313 regarding contract terms, extensions and time limits requires State Parks and Recreation Board approval for any contracts over 7 years as amended under Senate Bill 191 in 2015.

The Request for Proposal will be open for competitive bidding according to State contracting procedures.

Alternative A: Do not approve a term longer than 7 years.

Alternative B: Approve a longer concession contract at outlined above.

The longer contract term is desired in order to make the concession contract more financially viable for prospective bidders and encourage capital improvements to the facility. The 2015 Facility Condition Inventory (FCI) by MT State Parks identified \$379,000 in project needs at the facility;

contract fees can be applied to projects to address these needs. MCA 18-4-313 requires capital improvements for contract terms over 7 years as well as a business plan offering a reasonable estimation that the cost of the capital improvement by the concessionaire will be repaid within the life of the contract. Based on the cost of improvement needs, the length of the contract must be at least 10 years for concessionaire's to accomplish this repayment within the contract term. The Division is willing to consider up to a 20 year contract depending on the level of capital investment a successful bidder is willing to provide. It is recommended that a 10 year contract term with the possibility of two 5-year extensions be approved to make capital improvement at the facility financially viable for prospective bidders. Capital improvements in the facility will ensure that the concession can continue as a valued visitor service at Lewis & Clark Caverns.

Chairman Towe asked Bert Hopeman, the current concessionaire at Lewis and Clark Caverns, how the relationship is with him and his previous request to extend the contract. Mr. Hopeman said that the Park System is proceeding in a different angle and he is fine with this proposal.

Member Smith asked if the current concessionaire owns any of the improvements and if he makes an investment will he have ownership or will that be part of the lease payment and we would own what improvement he makes? Ms. Baker said that the concessionaire does not own any of the buildings or any of the permanent structures. They do own some equipment and some items that can be removed from the park. Anything that is permanent would remain in the park and the concessionaire could remove equipment and items that they own. She said that we have modeled this after some of the requirements that national parks have.

No public comment.

Action: *Member Conradi moved that the division be permitted to enter into a Request for Proposal for an initial 10 year contract term for the Food, Beverage and Gift Concession with the ability to negotiate two (2) five year extensions for a total term not to exceed 20 years. Motion passed unanimously.*

Chairman Towe asked that the division keep the Board informed about the progress of this lease.

17. Approval of Capital over \$5,000 – Final

Tom Reilly, Assistant Administrator, said per the Board Policy adopted in December 2013, Board approval is required for unanticipated expenses exceeding \$5,000 within the Capital Program. For this meeting, four projects have been or are in the early initiation stages;

1. Carbon County Road Agreement – a commitment to provide up to \$25,000 over a five year period to pay for a portion of the dust control efforts on county roads leading to and around Cooney State Park.
2. Beaverhead County Road Agreement – a commitment to provide up to \$25,000 over a five year period to pay for a portion of the dust control efforts on county roads leading to and around Bannack State Park.
3. Lewis and Clark County Road Agreement – a commitment to provide up to \$17,500 over a five year period to pay for a portion of the dust control efforts on the county road leading to Black Sandy State Park.

4. Bannack State Park – a project to construct a storage building on the east side of the park. Project funding is \$16,500, which has been provided by the Friends of Bannack Association.
5. Headwaters State Park – a project to construct a walking/birding trail on the east end of the park at the boat launch area. Project funding is \$26,000 in grant funding secured via the River Trust Fund.
6. Makoshika State Park – anticipated funds necessary to complete the sub-grade preparation and other misc. costs prior to paving the switchbacks this Fall. The work includes removal/replacement of the 10” gravel sub-base which has been in place since Fall 2014. The material is contaminated and must be removed. Anticipated additional costs for this effort are \$125,000. The funding source is uncommitted Park Road Funds (2015 Legislative Session).

No specific public involvement is necessary or planned concerning these individual funding commitments. Note that the Bannack SP storage shed, the Headwaters SP trail project, and the Makoshika SP road reconstruction effort have all gone through the public comment process.

Alt. #1 – approval of the proposed capital funding expenditures for the projects as outlined above.

Alt. #2 – modified approval for the expenditure of capital funds in some manner for the proposed projects.

Action: *Member Smith moved to approve the proposed use of capital funds to the Carbon, Beaverhead, and Lewis & Clark County road projects, as well as the capital funding commitments to the Bannack storage building and Makoshika road projects in the amount identified. No public comment. Motion passed unanimously.*

18. RTP Grants – Final

Tom Reilly, Assistant Administrator, said the federal Recreational Trails Program (RTP) grants involves pass-through funds which benefit trail related projects in each state. Each year Montana State Parks solicits and awards \$1.4 - \$1.6 million in RTP funds to sponsors statewide. The annual grant awards typically involve 50 – 60 individual projects. The funds are awarded to projects sponsored by local communities, private clubs and organizations, state entities, and federal agencies. The types of projects are as diverse as the development of new trails, installation of latrine facilities at trailheads, funds for snowmobile trail grooming, and maintenance on existing trails.

For the current grant cycle a total of 79 applications were received requesting \$2.67 million. The applications have been scored, input sought from the State Trails Advisory Committee (STAC), and narrowed to 45 grants for the \$1.435 million available this cycle. Please reference the attached summary of final RTP grants for the current cycle.

The public was provided an opportunity to comment on the full list of RTP grants from April 18th through May 20th. Notice was provided via a press release and on the website. One comment letter was received offering constructive comments on six specific projects and other categories of projects in general (the Avalanche Centers, snowmobile trail grooming, and Nordic ski projects).

Alt. #1 – award the proposed 45 RTP grants for the current cycle per the scoring and recommendations of the STAC. The total award would be \$1,435,243.

Alt. #2 – not award the RTP funds via the established grant program this cycle.

Mr. Reilly noted that there were two large projects called “big grants” for \$90,000 each that were approved.

Chairman Towe noted that there were 79 applicants, but only 45 finalists; that left 34 unsuccessful applicants. Mr. Reilly said that those who were unsuccessful did not meet requirements or did not fill out applications correctly or any number of reasons. Mr. Reilly said they have \$42,000 in reserve to be used next year.

Beth Shumate, Trails Program Specialist, answered some questions regarding the grants.. Member Conradi asked Beth what kind of trends she is seeing with these applications.

Ms. Shumate said there is heavy increase in competitiveness of the trails grants program. We have four different outdoor recreation grant programs: the Recreational Trails Program (RTP), Snowmobile grants and Off-Highway Vehicle program (OHV) and the Land and Water Conservation Fund (LWCF). In the past few years, we have gotten 80 to 90 applications and it used to be 50 to 60. We are held to certain numbers because of legislation. It has to go 40 percent to diversified projects, 30 percent to motorized projects and 30 percent to non-motorized projects. There were several applications that didn’t have project readiness or a maintenance plan and were rejected.

Member Welch asked if there was an increase in a particular type of use? Ms. Shumate said that winter recreation has increased significantly; both motorized and non-motorized. We also fund Avalanche Education and Safety programs. Mountain biking and fat tire biking are also increasing and we did fund some fat tire biking this year. Member Conradi asked if trail grant programs are available to be used in state Parks and Ms. Shumate said absolutely.

Public comment: Beth Shumate read a statement from Russ Enes, President of Great Falls Trail Bike Riders and a board member of the Montana Vehicle Trail Riders Association thanked the staff for their hard work on the trail grants program.

Frank Laliberty, State Trail Advisory Committee, commended everyone who worked on these proposals. We all need more funding for maintenance of a variety of trails. He said all of the proposals were good; it was choosing which ones to award that is hard work. Because of these grants, there are now 15 miles of new trails in the Great Falls area in the last ten years. He encouraged everyone to seek legislative funds and get back the annual fees for off-highway vehicles.

Member Smith asked if grants funds could be used to purchase access. Mr. Reilly said they can be but that is not a priority because there is so many other needs for maintenance statewide. The LWCF program has been able to purchase a few acres for some needs. The LWCF has to be dedicated to outdoor recreation.

Action: *Vice-Chair Sexton moved approval of the 45 Recreational Trails Program grants at a total amount of \$1,435,243 as proposed. The motion carried by vote of four members of the Board. Member Conradi recused herself because she is on the board for the Whitefish Legacy Partners.*

19. Parks Foundation – Informational

Member Conradi said that the Foundation is moving forward. They have highlighted parks usage wherever possible. Member Welch and Marne Hayes, of the Foundation, have stressed the importance of recreational assets at an event in Billings, as well as other places. The Foundation has hired a lobbyist to advocate for Parks and funding in the upcoming legislative session, in conjunction with Friends Groups: Bannack, Our Montana, Friends of Makoshika, Travelers Rest and the Montana Trails Recreation and Parks Association. Will be helping the division with the National Association of State Parks Directors conference to be held in Montana in 2017. Member Welch has been working with the Center for Community Design, School of Architecture at MSU to raise awareness of the three state parks in the Three Forks area and to raise funds. Bert Hopeman, concessionaire at Lewis & Clark Caverns has pledged to help with raising funds. Stephanie Ambrose Tubbs, and Alex Tyson, director of the CBB in Billings, are now philanthropic members of the Foundation. We are looking for a partner in the Missoula area. Need someone “on the ground” who can help with communities to form partnerships. The Founders’ Circle who has raised \$30,000 for the Foundation.

Meeting adjourned at 1:55 PM

Tom Towe, Chairman

M. Jeff Hagener, Director